

**PX 656**



# XRP Supply - deeper dive

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April 20, 2020



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# Agenda

- 1 Ripple XRP Introduction
- 2 Other Supply Introduction
- 3 Key Deal Review



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## Ripple Supply Introduction (in mm XRP, through 4/12)

This breaks out all Ripple XRP distributions impacting circulating supply (omits fulfillment of certain commitments).

Prospective XRP Reporting will be on a basis consistent with these groupings, but adding AMP.

|                            | 01'18 | 02'18 | 03'18 | 04'18 | 01'20 | 02'20 | Total |   |
|----------------------------|-------|-------|-------|-------|-------|-------|-------|---|
| <b>SBI</b>                 |       |       |       |       |       |       |       |   |
| <b>Sales</b>               |       |       |       |       |       |       |       |   |
| Coil                       |       |       |       |       |       |       |       |   |
|                            |       |       |       |       |       |       |       |   |
| Investment                 |       |       |       |       |       |       |       |   |
| <b>Xpring and BD total</b> |       |       |       |       |       |       |       |   |
| Loan                       |       |       |       |       |       |       |       | Primarily liquidity support                       |
| MGI                        |       |       |       |       |       |       |       | Incentives, milestone payments and and FX rebates |
| ODL                        |       |       |       |       |       |       |       | Liquidity, exchanges, vol and FX incentives       |
| <b>ODL total</b>           |       |       |       |       |       |       |       |   |
| Employee                   |       |       |       |       |       |       |       | Routine payroll, bonuses and Q2 exec comp         |
| Founder                    |       |       |       |       |       |       |       | Ripplecharts domain loan settlement               |
| Other                      |       |       |       |       |       |       |       | Ripplenet customer, product testing, vendors      |
| Donations                  |       |       |       |       |       |       |       |   |
| <b>Other total</b>         |       |       |       |       |       |       |       |   |
| <b>Total</b>               |       |       |       |       |       |       |       |   |



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## Other Supply Introduction (in mm XRP, through 4/12)

All amounts distributed to holders or treated as already distributed due to firm commitment by beginning of 2019.

|      | Q1'19 | Q2'19 | Q3'19 | Q4'19 | Q1'20 | Q2'20 | Total |
|------|-------|-------|-------|-------|-------|-------|-------|
| Coil |       |       |       |       |       |       |       |



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## Key Deal Review

Identified key deals with material continued obligations or opportunities

- [REDACTED]
- Coil
- [REDACTED]
- [REDACTED]
- [REDACTED]



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|                    |     |  |
|--------------------|-----|--|
| Gross Amount       | XRP |  |
| Gross paid to date | XRP |  |
| Remaining Amount   | XRP |  |

Exercisable [REDACTED] beginning of each month, typically sold evenly throughout month

Exercise price (set [REDACTED] prior to release) paid through XRP withholding at exercise

Typically pay [REDACTED] of gross amount based

Remaining exercise price averages to [REDACTED] per unit

Contract has no at will cancellation provisions.



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[REDACTED] - Development Fund

Commitment to fund development on [REDACTED] platform

|                                       |            |
|---------------------------------------|------------|
| Total Amount                          | [REDACTED] |
| Total USD paid to date                | [REDACTED] |
| Remaining Amount                      | [REDACTED] |
| Allocated Portion of Remaining Amount | [REDACTED] |
| Total XRP to date:                    | [REDACTED] |
| Remaining Amount (at current price):  | [REDACTED] |

|                       |            |
|-----------------------|------------|
| Sales Limit (in bps)* | [REDACTED] |
| Floor Price**         | [REDACTED] |
| Approvals***          | [REDACTED] |
| Allocation period     | [REDACTED] |
| Distribution Period   | [REDACTED] |

\*Opportunity to improve monitoring

\*\*Delay of up to 90 days until price recovery, otherwise ignore floor or pay in USD

\*\*\*Projects have been consistently under this threshold



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## Milestones

Funding based on key milestones for overall ecosystem development

| Milestone                           | Amount  | Forfeiture Date |
|-------------------------------------|---|-----------------|
| Approve Dev Program                 |  | Paid            |
| Wallet Launch                       |   | Pending payment |
| Company Marketplace                 |   | 5/8/2020        |
| First Game                          |   | 11/8/2020       |
| Remaining Commitment                |   |                 |
| Remaining commit (at current price) |   | At floor        |

|               |  |            |
|---------------|--|------------|
| Sales Limit*  |  | XRP Charts |
| Floor Price** |  | Soft floor |

\*Opportunity to improve monitoring, measured in combination with Volume Incentives

\*\*Delay of up to 90 days until price recovery, otherwise ignore floor or pay in USD



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**[REDACTED]** - Volume Incentives

Incentives for hitting various target of XRP transacted on **[REDACTED]** platform - Targets can be met anytime before May 2023.

No payments made to date.

| ADV XRP Target (units transacted over platform, 90 day average) | Payment           |
|---|-------------------|
| XRP 25,000,000.00   | <b>[REDACTED]</b> |
| XRP 75,000,000.00   |                   |
| XRP 120,000,000.00  |                   |
| XRP 200,000,000.00  |                   |
| Remaining Amount  |                   |



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Coil

For both scheduled payments and set-aside, contract doesn't allow for termination at Ripple's option, with no contract termination date.

| Scheduled Payments |  |
|--------------------|--|
| Gross Amount       |  |
| Paid to date       |  |
| Remaining Amount   |  |

| Set-Aside        |  |
|------------------|--|
| Gross Amount     |  |
| Paid to date     |  |
| Remaining Amount |  |

Coil - Set-Aside T&Cs

We have ample contractual mechanisms to possible prevent substantial distributions from Set-Aside, through using direct distribution and taxable income exclusion. Opportunity for improvement in monitoring Sales Limits and enforcing Approval rights.

| Set-Aside Terms and Conditions |                              |                         |                            |                     |  |
|--------------------------------|------------------------------|-------------------------|----------------------------|---------------------|--|
| Type                           | Approval                     | Distribution            | Other Rights               | Sales Limit         |  |
| Large Project                  | Subject to Ripple's approval | Ripple or [REDACTED] at | Can reject any transaction | [REDACTED] combined |  |
| Medium Project                 | Subject to standard T&Cs     | Ripple's discretion     | giving rise to taxable     | Large and Medium    |  |
| Small Project                  | None                         | [REDACTED]              | income to Ripple           | [REDACTED] week     |  |



**[REDACTED] Purchase Discount**

As of November 2019, discount of [REDACTED] on purchases, at amount of discount remaining from original agreement

| Purchase Discount                     |  |
|---------------------------------------|--|
| Original Discount Value               |  |
| Discount Value at Amendment           |  |
| Remaining Discount Value              |  |
| Remaining Discount Amount (at \$0.19) |  |

| Contract Terms          |  |
|-------------------------|--|
| Sales Limit             |  |
| Floor Price             |  |
| Quarterly Minimum Gross |  |
| Quarterly Maximum Gross |  |
| Purchase Period         |  |



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**[REDACTED] Option**

Option for [REDACTED] XRP purchased in full as of [REDACTED] with supply expected to last until [REDACTED]

| Remaining Amount                     |            |
|--------------------------------------|------------|
| Original Option Amount               | [REDACTED] |
| Remaining Amount                     | [REDACTED] |
| Average Weekly Sales (last 10 weeks) | [REDACTED] |
| Estimated Sales Completion           | [REDACTED] |

| Proceeds                                    |            |
|---|------------|
| Proceeds Cap                                | [REDACTED] |
| Proceeds to Date                            | [REDACTED] |
| Remainder to Cap                            | [REDACTED] |
| Total Projected Proceeds (at \$ [REDACTED]) | [REDACTED] |
| Price to Hit Cap                            | [REDACTED] |